


ALERT! ALERT! ALERT!

General Support Services
Office of the State Controller
1525 Sherman St., Ste 250
Denver CO 80203
Phone: (303) 866-3281
Fax: (303) 866-4233

ALERT #101

TO: Department Controllers, Fiscal Officers and Other Interested Parties

FROM: Clifford W. Halpern
State Controller 

DATE: May 23, 1997

SUBJECT: *New Contract Language Required July 1, 1997*
GJTO & ORJT Move to Labor and Employment
Fiscal Rule Hearing Held
Procedures for Billing Higher Education Institutions
Training on the COFRS Revenue Tracking Worksheet Table

New Contract Language Required July 1, 1997

House Bill 97-1207 regarding "Vendor Offsets" requires a notice of the program be included in all contracts after July 1, 1997. The new provision should read:

Pursuant to CRS 24-30-202.4 (as amended), the state controller may withhold debts owed to state agencies under the vendor offset intercept system for: (a) unpaid child support debt or child support arrearages; (b) unpaid balance of tax, accrued interest, or other charges specified in Article 22, Title 39, CRS; (c) unpaid loans due to the student loan division of the department of higher education; (d) owed amounts required to be paid to the unemployment compensation fund; and (e) other unpaid debts owing to the state or any agency thereof, the amount of which is found to be owing as a result of final agency determination or reduced to judgment as certified by the controller.

This language must appear in all contracts entered into on or after July 1, 1997. Central Stores is currently adding this language to their standard contract forms. These should be ready by June 6, 1997. The State Fiscal Rule will be revised to include this new special provision as soon as possible. Please contact Dennis Wolfard at 303/866-3895 if you have any questions about this new requirement.

GJTO & ORJT Move to Labor and Employment

The Governor's Job Training Office operating in the Colorado Community College and Occupational Education System and the Office of Rural Job Training operating in the Department of Local Affairs in FY96-97 are both moving to the Department of Labor and Employment effective July 1, 1997. Please take this into consideration when coding your FY97-98 transactions. For transactions beginning on that date, be sure to use their new agency code of KAA.



Fiscal Rule Hearing Held

A hearing on proposed fiscal rules was held May 13, 1997 for rule changes effective July 1, 1997. Action on those proposed changes included:

- ♦ Adoption of new maximum meal reimbursement rates for travel. Rule 5-1, Appendices A-C.
- ♦ Adoption of a lower threshold for reporting fraud or embezzlement (\$5,000). Rule 1-9.
- ♦ Deletion of the rule regarding quarterly allotments. Rule 7-2.
- ♦ Adoption of a provision allowing delegation of petty cash funds. Rule 6-2.

Copies of these changes will be on our website by June 6, 1997. Printed copies of the changes should be available from Central Stores by June 13, 1997. Questions about these changes may be directed to Dennis Wolfard at 303/866-3895.

Procedures for Billing Higher Education Institutions

Institutions of higher education that transmit summary financial data to COFRS from their own internal accounting systems are exempt from using the COFRS Interagency Transactions (IT's) except when transacting business with direct billing agencies. All higher education institutions are covered by this exemption. (GXX agencies except GAA, GBA, GCA, GDA, GEA, GHA, GHF and GPA)

Direct billing agencies that may impact higher education institutions with IT's include:

AMA General Government Computer Center
AEA Division of Central Services
AGB Capitol Parking
AMA Division of Telecommunications
AIA Administrative Hearings
CFA Correctional Industries*
LAA Department of Law

*State Forms is currently using over-the-counter (OC) transactions in the inventory module to bill higher education institutions.

During the normal course of business, these direct billing agencies use IT's. If any one of these agencies changes their billing practices, they must coordinate these changes with the Higher Education Fiscal Coordinator before the new procedures are instituted.

All other state agencies use the following procedures in transacting business with higher education institutions:

1. State agencies selling goods or services are to provide an invoice with adequate detail supporting the charge to the buying institution. The buying higher education institution will process a payment through its internal accounting system and mail an imprest check or state warrant, with adequate documentation showing the specific invoices being paid, to the address provided by the selling agency.
2. Higher education institutions that sell goods or services to another state agency are to provide an invoice and adequate detail supporting the charges to the buying state agency. The invoice will

indicate the higher education institutions' COFRS vendor number to be used by the buying agency in preparing a payment voucher. The buying agency will process a COFRS payment voucher (PV) to generate a state warrant for payment of the goods or services.

3. Higher education institutions will provide prompt payment of invoices to other state agencies. Disputes regarding payments and/or billings between higher education institutions and other state agencies will be resolved in accordance with the State of Colorado Fiscal Rules, Chapter 2, Section 6. The state controller reserves the right to process COFRS IT transactions to resolve disputed amounts.
4. Please be aware that sales to TABOR qualified higher education auxiliary activities generates TABOR non-exempt revenue. This is an exception to the general rule that revenues from interagency sales are considered exempt. Refer to Chapter 5, Section 6 of the state controller's Open/Close Instructions for further discussion of this point.

This policy supersedes the policy issued October 11, 1991 (Alert #53) and is effective immediately. Questions regarding this revised policy should be directed to your field controller.

Training on the COFRS Revenue Tracking Worksheet Table

On May 1, 1997, the State Controller and the Director of the Office of State Planning and Budgeting issued a policy memorandum requiring quarterly TABOR non-exempt revenue estimates. The policy requires that these estimates be entered into the COFRS Revenue Tracking Worksheet table (RTRK). The policy contains an attachment that provides detailed instructions on how to use the table. Application Services has offered to provide training on the use of the table if there are interested individuals. This training may be at a central location or may be at individual agencies depending on the number of individuals interested in formal training.

If you are interested, please call Phil Reed of the Field Control Section at 866-3890. If we do not hear from you by Wednesday, June 25, 1997, we will assume you do not require training.